REMARKS

Applicant thanks the Examiner for the courtesies extended to Applicant's representative in the interview conducted on January 5, 2009. The substance of the interview is incorporated into this Reply.

In the Final Office Action,[1] Examiner rejected claims 1, 5, 9, 10, and 12-23 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0065753 to Schloss et al. ("Schloss") in view of an article entitled "Bonds an Attractive Option, but Beware of Risks," by Terry Savage ("Savage"); rejected claims 2 and 6 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of U.S. Patent Application Publication No. 2002/0055897 to Shidler et al. ("Shidler"); rejected claims 3 and 7 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of U.S. Patent Application Publication No. 2002/0198808 to Myers ("Myers"); rejected claims 4 and 8 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of U.S. Patent No. 7,266,524 to Butcher, III ("Butcher"); and rejected claim 11 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage,[2] and further in view of the Examiner's "Official Notice."

Applicant amends claims 1-10 and 21-23 and cancels claim 12. Claims 1-11 and 13-23 remain pending and under examination.

---

[1] The Office Action contains a number of statements reflecting characterizations of certain art and claims. Regardless of whether any such statement is identified herein, Applicant declines to automatically subscribe to any statement or characterization in the Office Action.

[2] The rejection of claim 11 does not mention Savage. However, claim 11 depends from claim 10, which is rejected under § 103(a) as being unpatentable over Schloss in view of Savage. Accordingly, Applicant assumes the rejection of claim 11 also relies on Savage.

I. Rejection of Claims 1, 5, 9, 10, and 13-23 Under § 103(a)[3]

Applicant respectfully traverses the rejection of claims 1, 5, 9, 10, and 13-23 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Neither Schloss nor Savage, taken individually or in combination, teaches or suggests each and every element required by Applicant's claims. Claim 1 recites a method of processing financial information, including: receiving an indication, at a processor from a database, that tax-exempt bonds are in a single trust; based on the single trust, establishing, at the processor, a senior class of securities, such that the senior class of securities includes a guarantee feature, the guarantee feature indicating that payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim; based on the single trust, establishing, at the processor, a junior class of securities, such that the junior class of securities serves as collateral; and issuing the senior class of securities and the junior class of securities, such that the junior and senior classes of securities are backed by the assets of the single trust. (Emphasis added.)

The Office Action indicated that the features of the "guarantee feature" were not previously recited in the claims. (Office Action at 3.) As discussed during the interview, Applicant amends independent claim 1 to require a "guarantee feature indicating that

3 Applicant cancels claim 12, rendering the rejection of claim 12 under § 103(a) moot.

payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim," which distinguishes the combination of Schloss and Savage.

The Examiner agreed during the interview that Schloss's general disclosure of different tranches including "senior and subordinate securities" does not constitute a guarantee "indicating that payment must be made on a guarantee claim," as recited by claim 1. And, even if Schloss uses "capital raised in issuing the junior tranche . . . for paying off senior tranches first in the case of default," as alleged by the Examiner (Office Action at 4), Schloss does not pay the senior tranche first and then seek "reimbursement . . . after satisfying the guarantee claim," as recited by claim 1. (Emphasis added). Savage fails to cure the deficiencies of Schloss, nor does the Examiner rely on Savage for such teachings.

Because Schloss and Savage, taken individually or in combination, fail to teach or suggest several elements required by claim 1, a *prima facie* case of obviousness has not been established for claim 1. Independent claims 5, 10, 21, and 23, although of different scope than claim 1, patentably distinguish from Schloss and Savage for at least the same reasons as claim 1. Claims 13-20 depend from independent claim 10 and therefore patentably distinguish from Schloss and Savage for at least the reasons discussed above with respect to claims 1 and 10, as well as by reason of reciting additional features not taught nor suggested by the cited art.

Amended independent 9 recites a computer-implemented method of issuing a negotiable instrument including creating, using a processor, a single trust including the negotiable instrument having a tax-exempt feature and a guarantee feature, the single trust having a class junior to the negotiable instrument, the class serving as collateral for

the guarantee feature without sale of the class; and issuing, using the processor, the negotiable instrument backed by the assets of the single trust, wherein an income produced by the negotiable instrument is tax-exempt. (Emphasis added.) Neither Schloss nor Savage, taken individually or in combination, teaches or suggests several of the elements of claim 9.

For example, Savage expressly discloses that "each tranche is sold to investors." (Savage, paragraph 0080.) Selling each tranche does not constitute a teaching or suggestion of "having a class junior to the negotiable instrument, the class serving as collateral for the guarantee feature without sale of the class," as recited by claim 9. (Emphasis added.) In fact, it teaches away from claim 9's recitation. Savage fails to cure the deficiencies of Schloss, nor does the Examiner rely on Savage for such teachings.

Amended independent claim 22 recites a computer-readable medium comprising instructions which, when executed by a processor, perform a method comprising: based on a single trust, establishing a senior class of securities, such that the senior class of securities includes a guarantee feature; based on the single trust, establishing a junior class of securities, such that the junior class of securities serves as collateral; issuing the senior class of securities and the junior class of securities, such that the junior and senior classes of securities are backed by the single trust; receiving, at the processor, a request to sell one or more securities in the senior class; providing, by the processor when the securities cannot be sold, the securities to a security issuer; satisfying the request to sell using payment from the security issuer; and obtaining reimbursement for the payment from the single trust. (Emphasis added.) Neither

Schloss nor Savage, taken individually or in combination, teaches or suggests all the elements of claim 22, including the elements added by this amendment.

Applicant therefore respectfully requests that the Examiner reconsider and withdraw the rejection of claims 1, 5, 9, 10, and 13-23 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage.

II. Rejection of Claims 2 and 6 Under § 103(a)

Applicant respectfully traverses the rejection of claims 2 and 6 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Shidler. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Neither Schloss nor Shidler, taken individually or in combination, teaches or suggests each and every element required by Applicant's claims. Amended independent claim 2 recites a computer-implemented method of processing financial information including based on a single trust, establishing a senior class of tax-exempt securities, such that the senior class of securities includes a guarantee feature; and based on the single trust, establishing, at a processor, a junior class of tax-exempt securities, such that the junior class of securities serves as collateral for defaults associated with the senior class of securities, wherein: the guarantee feature includes at least one of: a credit enhancement guarantee that guarantees income to the senior class of securities when the tax-exempt securities default, wherein the credit

enhancement guarantee is made by an entity other than the single trust, and a liquidity guarantee that guarantees re-purchase of the senior class of securities; and wherein the junior class of securities is pledged to support the guarantee feature of the senior class of securities, without sale of the junior class of securities. (Emphasis added.)

As discussed above, Schloss expressly teaches away from pledging junior securities "without sale of the junior class of securities," as recited by claim 2, by requiring that "each tranche is sold to investors." (Schloss, paragraph 0080.) Shidler fails to cure the deficiencies of Schloss, nor does the Examiner rely on Shidler for such teachings.

Because Schloss and Shidler, taken individually or in combination, fail to teach or suggest each and every element required by claim 2, a *prima facie* case of obviousness has not been established for claim 2. Independent claim 6, although of different scope than claim 2, patentably distinguishes from Schloss and Shidler for at least the same reasons as claim 2.

III. Rejection of Claims 3 and 7 Under 35 U.S.C. § 103(a)

Applicant respectfully traverses the rejection of claims 3 and 7 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Myers. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Neither Schloss nor Myers, taken individually or in combination, teaches or suggests each and every element required by Applicant's claims. Amended

independent claim 3 recites a computer-implemented method of processing financial information including based on a single trust, establishing a senior class of securities, such that the senior class of securities includes a guarantee feature; based on the single trust, establishing, at a processor, a junior class of securities, such that the junior class of securities serves as collateral for the senior class of securities; issuing the senior class of securities and the junior class of securities, such that the junior and senior classes of securities are backed by the single trust; storing payment information in a database, the payment information indicating that the junior class of securities receives excess income including a spread between an interest rate paid to the senior class of securities and an interest rate received on the securities; receiving, at the processor, a request to sell one or more securities in the senior class; providing, by the processor when the securities cannot be sold, the securities to a security issuer; satisfying the request to sell using payment from the security issuer; and obtaining reimbursement for the payment from the single trust. (Emphasis added.)

As discussed above, Schloss fails to teach or suggest the combination of processing a "request to sell" as recited by claim 3. Myers fails to cure the deficiencies of Schloss, and the Office Action does not contend otherwise. Accordingly, because Schloss and Myers, taken individually or in combination, fail to teach or suggest each and every element required by claim 3, a *prima facie* case of obviousness has not been established for claim 3. Independent claim 7, although of different scope than claim 3, patentably distinguishes from Schloss and Myer for at least the same reasons as claim 3.

IV. Rejection of Claims 4 and 8 Under § 103(a)

Applicant respectfully traverses the rejection of claims 4 and 8 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Butcher. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Neither Schloss nor Butcher, taken individually or in combination, teaches or suggests each and every element required by Applicant's claims. Amended independent claim 4 recites a computer-implemented method of processing financial information including receiving an indication, at a processor, that tax-exempt bonds are in a single trust; based on the single trust, establishing, at the processor, a senior class of tax-exempt securities; based on the single trust, establishing, at the processor, a junior class of tax-exempt securities; storing, in a database, payment information indicating an amount of excess income to pay to the junior class; issuing the senior class and the junior class, such that the junior and senior classes are backed by the single trust; paying, using the processor based on the stored payment information, the amount of excess income to the junior class; receiving, by the processor, a claim against a guarantee of the senior class of securities, the guarantee indicating that the senior class must receive income; and stopping income payment to the junior class until the single trust has been reimbursed for one or more payments made under the claim. (Emphasis added.)

As discussed above, Schloss fails to teach or suggest a "guarantee indicating that the senior class must receive income." Further, Schloss fails to teach or suggest indicating "an amount of excess income to pay to the junior class," paying "the amount of excess income to the junior class," and "stopping income payment to the junior class until the single trust has been reimbursed for one or more payments made under the claim," as recited by claim 4. Butcher fails to cure the deficiencies of Schloss, and the Office Action does not contend otherwise.

Accordingly, because Schloss and Butcher, taken individually or in combination, fail to teach or suggest each and every element required by claim 4, a *prima facie* case of obviousness has not been established for claim 4. Independent claim 8, although of different scope than claim 4, patentably distinguishes from Schloss and Butcher for at least the same reasons as claim 4.

V. Rejection of Claim 11 Under § 103(a)

Applicant respectfully traverses the rejection of claim 11 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view Savage, and further in view of Official Notice. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Claim 11 depends from claim 10 and therefore includes all of the elements recited therein. The Examiner's Official Notice fails to cure the deficiencies of Schloss and Savage discussed above regarding claim 10. Accordingly, because Schloss, Savage, and the Examiner's Official Notice, taken individually or in combination, fail to

teach or suggest each and every element required by claim 11, a *prima facie* case of obviousness has not been established for claim 11.

VI. Conclusion

In view of the foregoing, Applicant submits that this claimed invention, as amended, is neither anticipated nor rendered obvious in view of the prior art references cited against this application. Applicant therefore requests the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to Deposit Account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

/Nathan A. Sloan/

Dated: January 28, 2009 By:_____

Nathan A. Sloan
Reg. No. 56,249
(404) 653-6464